



BEFORE THE ARIZONA CORPORATION COMMISSION

BOB STUMP

Chairman

GARY PIERCE

Commissioner

BRENDA BURNS

Commissioner

BOB BURNS

Commissioner

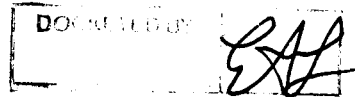
SUSAN BITTER SMITH

Commissioner

Arizona Corporation Commission

DOCKETED

MAY 23 2014



IN THE MATTER OF THE APPLICATION
OF BENSCH RANCH UTILITIES FOR A
CERTIFICATE OF CONVENIENCE AND
NECESSITY TO PROVIDE SEWER
SERVICE

DOCKET NO. SW-04026A-01-0499

DECISION NO. 74500

ORDER AMENDING

DECISION NO. 71944

Open Meeting
May 13 and 14, 2014
Phoenix, Arizona

BY THE COMMISSION:

Having considering the matter and voting to reopen Decision No. 71944 (issued November 21, 2010) pursuant to A.R.S. § 40-252 to consider modifying the requirement that Bensch Ranch Utilities, LLC ("Bensch Ranch" or "Company") file a rate case by November 30, 2010, the Arizona Corporation Commission ("ACC" or "Commission") finds, concludes, and orders that:

FINDINGS OF FACT

1. On June 31, 2001, Bensch Ranch filed with the Commission an application for a Certificate of Convenience and Necessity ("CC&N") to provide wastewater service to two subdivisions in Yavapai County, Arizona.

2. On August 10, 2004, the Commission issued Decision No. 67180, conditionally granting the Company's application. Decision No. 67180 required the Company to make annual filings reporting, among other things, whether it had retained Mr. Lester Smith as an employee. The Decision also required the Company to file a rate case "no later than three months following the fifth anniversary of the date it begins providing service to its first customer." On November 21, 2010, the

1 ACC issued Decision No. 71944 amending Decision No. 67180 to remove certain reporting
2 requirements based on the death of Lester Smith and to modify the initial rate case filing requirement,
3 requiring it to be filed no later than November 30, 2010.

4 3. On February 3, 2014, Bensch Ranch filed a Motion to Amend Decision No. 71944
5 Pursuant to A.R.S. § 40-252. The Company asserted conditions existed which necessitated the filing
6 of the extension.

7 4. Of the 452 residential units and 2 commercial properties initially planned at full
8 buildout, the Company had only acquired 23 residential customers. According to the Company, the
9 lack of customers and low revenue made operations difficult; but Bensch Ranch continued to provide
10 the capital necessary for provision of service to the 23 customers at an average loss of \$34,000
11 annually.

12 5. After conducting its own internal rate review, the Company estimated that any rate
13 case would result in an approximately 600 percent increase. It was the Company's contention that any
14 rate case would clearly cause rate shock to the existing 23 customers, and not be in the public interest.
15 Additionally, the Company felt that a proceeding at this time to determine rates for only 23 customers
16 would be burdensome to the Commission Staff and the Company, not to mention increase rate case
17 expense to those 23 customers.

18 6. Based on this rationale, the Company believes that the avoidance of such a rate
19 proceeding at this time would benefit the public interest, save time and effort for the Company and
20 Staff, and forgo the impact of rate shock to existing customers. Staff felt the rationale stated above
21 was sufficient to approve the motion for extension.

22 7. We agree with Staff that due to the circumstances described by the Company that the
23 rate case filing language should be modified.

24 8. Decision No. 71944 requires the rate case application to be filed no later than
25 November 20, 2010. The Compliance Section of the Commission's Utilities Division reports that the
26 Company is otherwise in compliance with Utility Division filing requirements.

27 9. The Company should be ordered to file a rate case application by June 30, 2017, using
28 a 2016 test year, or within 90 days of extending service to its 100th customer, whichever occurs first.

1
2
3
4
5
6
7
8
9
0
1
2
3
4
5
6
7
8
9
0
1
2
3
4
5
6
7
8

2
3

4
5

6
7

90

01

3
4

6
7

7
8

89

90

01

1
2

2
3

3
4

4
5

5
6

6
77
8

1 IT IS FURTHER ORDERED that all other provisions of Decision No. 71944 remain in
2 effect.

3 IT IS FURTHER ORDERED that this Decision shall become effective immediately.

4
5 **BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION**

6
7 
CHAIRMAN


COMMISSIONER

8
9 
COMMISSIONER


COMMISSIONER


COMMISSIONER

11 IN WITNESS WHEREOF, I, JODI JERICH, Executive
12 Director of the Arizona Corporation Commission, have
13 hereunto, set my hand and caused the official seal of this
14 Commission to be affixed at the Capitol, in the City of
Phoenix, this 23rd day of May, 2013.

15 
16 JODI JERICH
17 EXECUTIVE DIRECTOR

18 DISSENT: _____

19
20 DISSENT: _____

21 SMO:LJL:VW:red\RRM
22
23
24
25
26
27
28

1 SERVICE LIST FOR: BENSCH RANCH UTILITIES, LLC
2 DOCKET NO. SW-04026A-01-0499

3 Mr. Jason Williamson
4 Vice President
5 7581 East Academy Blvd.
6 Suite 229
7 Denver, Colorado 80230

8 Mr. Jay Shapiro
9 Fennemore Craig, PC
10 2394 East Camelback Road
11 Suite 600
12 Phoenix, Arizona 85016

13 Mr. Steven M. Olea
14 Director, Utilities Division
15 Arizona Corporation Commission
16 1200 West Washington Street
17 Phoenix, Arizona 85007

18 Ms. Janice M. Alward
19 Chief Counsel, Legal Division
20 Arizona Corporation Commission
21 1200 West Washington Street
22 Phoenix, Arizona 85007
23
24
25
26
27
28